



## Energy Benchmarks

### Crude Oil Prices

Product	Opening Price	% Change from previous day OP
ICE BRENT	62.30	-2.01%
NYMEX WTI	53.43	-1.49%
39580	39580	1.93%
Source	Bloomberg	

Get today's analysis on market fundamentals and pricing action here!

Get technical analysis, economic calendars and pricing charts on the second page of the report.

## Oil struggles over looming market uncertainties

### Market Overview

WTI (Jul 19) closed at \$53.26 per barrel on Monday 10/06/19 with a 1.35% loss against Friday's closing price. Crude oil futures snapped back early gains as markets brood over weaker petroleum demand and looming downside risks for the coming term. A decrease in Chinese crude oil imports (May 19) further fueled bearish biases as traders weighed in over slower consumption levels and the 11-month long US-China trade war. Over in the US, Baker Hughes crude oil rotary rig count decreased by 11 to 789 last week. CFTC NYMEX Crude Oil Managed Money Net Long Positions edged lower to 237 209 contracts whilst Net Short Positions increased to 53 837 contracts.

(See technical chart and diagrams below)

### Key Market Commentaries

Key performance indicators to monitor and observe for crude oil futures.

### Market Updates: Will US crude oil production be the biggest bear?

US crude oil production levels clocked a record high of 12.4 million bpd in the week ending 31<sup>st</sup> June 2019. Increased efficiency in hydraulic fracking by US shale producers have accelerated output levels in the Permian Basin. Additional pipelines and improved transportation capacity (2H 2019) will alleviate existing constraints between the Permian region and Cushing, Oklahoma whilst boosting global oil flows from the United States in the coming term. Incremental US production levels as such will cap bullish gains for crude oil prices as markets grapple with rising economic uncertainties and weaker fuel demand in latter half of 2019.

### Daily Market Assessment

Fresh threats on additional US levies on Chinese imports will limit bullish gains for crude oil futures as traders remain cautious over heightened geopolitical risks (US-China trade war). Growing demand-side concerns and looming weakness in the global economic backdrop will impose negative biases on oil prices in the near term.

**Today's Outlook: Mildly Bearish (WTI: 51.52 - 54.84)**

### Mid-Term Market Assessment

Sharp output cuts by OPEC+ have contributed to stronger oil prices as cartel members seek to drain excess capacity from 2H 2018. Geopolitical uncertainties have laid support for crude oil futures amidst production woes from Iran and Venezuela (US Sanctions). Though we remain optimistic on oil prices, we opine that upside gains will remain measured amidst looming demand-side weaknesses.

**June 2019: West Texas Intermediate (WTI) – 50.00-55.00**

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## Technical Analysis for Crude Oil – WTI



Chart type: *Bloomberg NYMEX West Texas Intermediate Crude Oil Futures (WTI – Day Chart)*

WTI crude oil futures fell as solid resistance at key technical levels denied a further extension of the bullish wave. A resumption of the negative trend overview will see market bears target the next key trendline support of 51.52 (23.6% Fibonacci Retracement Level) in the current term. Should oil prices break beneath 51.52, we expect for a coming test on the key psychological level of 50.00.

We expect today's trading range for WTI (Jul 19) to be between:

Key Resistance Level (1) & (2): 54.84 & 56.04 Key Support Level (1) & (2): 51.52 & 50.00

Weekly Economic Indicators			EIA Weekly Crude Oil Stocks (Change)		
API Inventory Report	12/06/2019	0430hrs (SG)	Period	Actual	Forecast
EIA Inventory Report	12/06/2019	2230hrs (SG)	07/06/2019	-	-1.400m
Baker Hughes Oil Rig Count	15/06/2019	0130hrs (SG)	31/05/2019	+6.771m	-1.500m
CFTC NYMEX MM Positions	15/06/2019	0400hrs (SG)	24/05/2019	-0.282m	-1.400m
			17/05/2019	+4.740m	-1.600m
Source	PFPL/Bloomberg		Source	PFPL/Bloomberg	

### Diagram 1.1 – Baker Hughes Crude Oil Rig Count

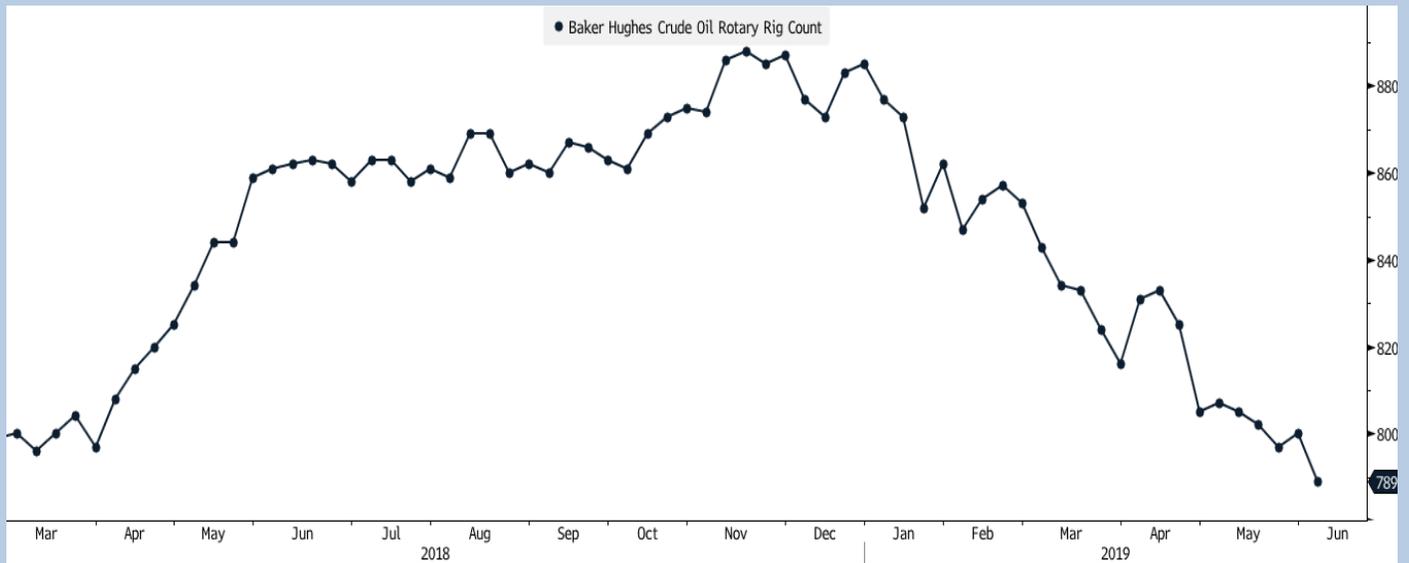


Chart type: Bloomberg – Baker Hughes Crude Oil Rotary Rig Count – 7<sup>th</sup> June 2019

### Diagram 1.2 – CFTC NYMEX Crude Oil Managed Money Net Long Positions

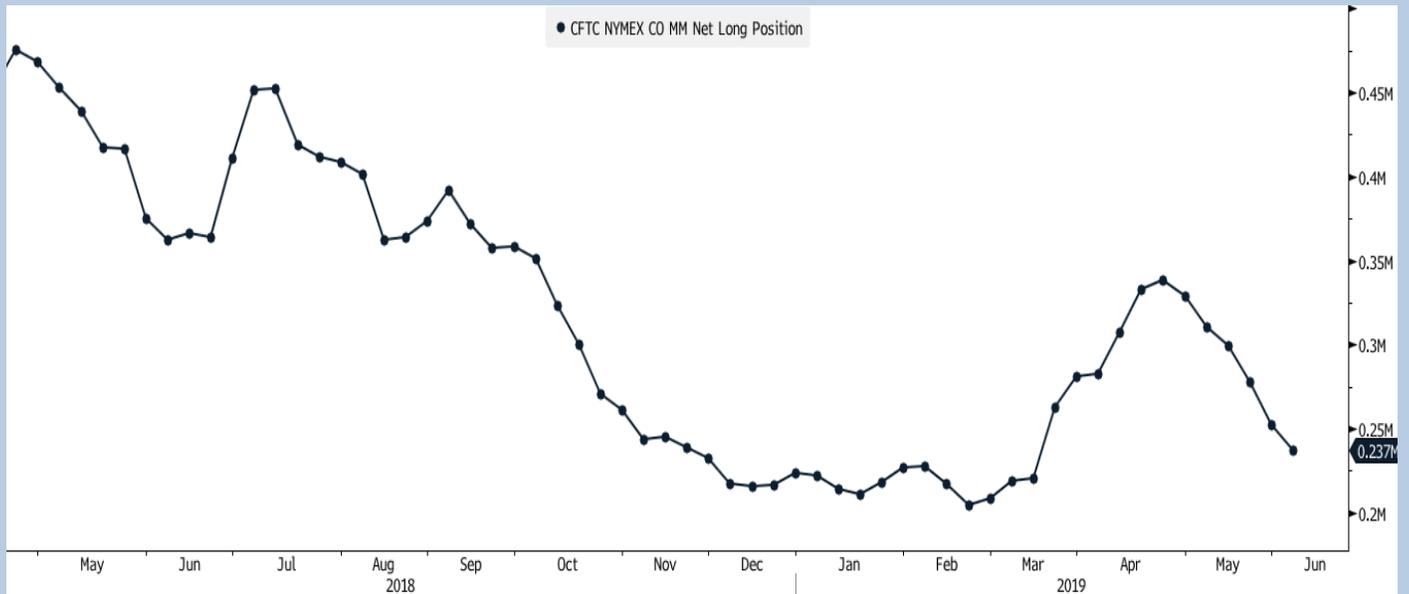


Chart type: Bloomberg - CFTC NYMEX Crude Oil Managed Money Net Long Positions – 4th June 2019

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